

BUSINESS IDEA FOR SETTING UP A CHICKEN HATCHERY



This business idea is aimed at setting up a Chicken Hatchery. The idea is premised on hatching eggs for layers and broilers for both local and hybrid birds. The business will be hatching 38,000 chicks per month which translates into 456,000 chicks per year. The revenue potential is estimated at US\$ 33, 900 per month which translates into 406,800 per year. The business has a good market demand throughout the year and can provide employment to the youths and women. The production capacity is hatchery of 38,000 eggs. The project cost is US\$ 89,250.

Process Description

Eggs are collected and inserted into the Incubator for 18 days. The eggs are then transferred into a Hatchery for 3 days to hatch.

Market Analysis

The business has a great market demand both in rural and urban areas throughout the year. Market for the Hatched chicks comes from poultry farmers across the country and beyond borders. The main key players in this business include; Kagodo Farmers, Munva Farm, Ugachic, and Biyinzika Entreprises Ltd.

Capital Investment Requirements In US\$

Item	Unit	Qty	Unit Cost	Total
Incubator	No.	1	6,000	6,000
Hatcher	No.	1	6,000	6,000
Feed mills & Mixer	No.	1	2,500	2,500
Generator	No.	1	5,000	5,000
Total Cost of Machinery				19,500

Production and Operation Costs in US\$

Direct Materials, Supplies and Costs

Cost Item	Units	Unit Cost/ day	Qty	Prod. cost/ day	Prod. Cost/ month	Prod. Cost/ year
Parent stock	No.	15.0	100		1,500	1,500
Eggs	No.	0.05	38,000		1,900	22,800
Coffee husks	Tones	15	1		15	15
Disinfectants	Ltrs	1.3	3	4	101	1,217
vaccines	Ltrs	2.5	4	10	260	3,120
Sub-total					3,776	28,652
General costs (Overheads)						
Utilities (power)					150	1,800
Utilities (water)					15	180
Salaries					300	3,600
Feeds					7.8	94
Fuel					260	3,120
Renting					150	1,800
Depreciation (Assets write off) Expenses					406	4,875
Sub-total					1,289	15,469
Total Operating Costs					5,065	44,120

Production assumed 21 days in a month with a capacity of 38,000 eggs per press.

Depreciation (fixed assets write off) assumes 4 years life of assets write off of 25% per year.

Direct costs include: materials, supplies and other costs that directly go into production of the product.

Project Product Cost and Price Structure In US\$

Items	Period	Output	Unit Cost	Unit price	Total Cost	Total Revenue
Layers	21-days	19,000	0.13	1.1	2,470	20,900
	per year	228,000				250,800
Broilers	21-days	18,000	0.13	0.6	2,340	10,800
	per year	216,000				129,600
Total						380,400

Profitability Analysis In US Dollars

Profitability item	per day	per month	per year
Revenue			
Layers	804	20,900	250,800
Broilers	415	10,800	129,600
Less Prod & Operating Costs	141	5,065	44,120
Profit	1,078	26,635	336,280

Source of Equipment and Rawmaterials

Equipments can be purchased from the local market and may be imported from Europe, India, South Africa and China. Eggs are generated from the parent stock and imported.

Government Incentives Available

Agriculture equipments, tools and chemicals are duty free on importation.